

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 35 – HB 501

February 26, 2013

SUMMARY OF ORIGINAL BILL: Prohibits local government from requiring a private employer to compensate their employees more than what is required by federal or state law, establish a leave policy that differs from state requirements, or provide health insurance benefits for employees as a condition of doing business within the boundaries of the local government or contracting with the local government. Prohibits local government from requiring construction contract vendors to pay a prevailing wage to their respective employees in excess of minimum wages identified in the Prevailing Wage Act, codified in Tenn. Code Ann. § 12-4-4, as a condition of doing business with the local government. The provisions of this bill shall not apply when entering into a contract with the federal government or if compliance would deny a local government federal funds that would otherwise be available.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003294): Adds new section naming the bill as the “Tennessee Wage Protection Act” and states that any law, ordinance, or rule adopted or maintained by any county, municipality, or political subdivision addressing wage theft shall be preempted by the state and federal laws named in subsection (c) of the amendment.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note

Assumptions for the bill as amended:

- Based on information provided by the County Technical Assistance Service (CTAS) and the Municipal Technical Advisory Service (MTAS), the city of Memphis is the only local government that currently requires a living wage ordinance.
- Based on data collected from the city of Memphis in 2012 for similar legislation, fewer than 100 city contracts will be affected. Any additional costs for the city of Memphis to amend affected contracts are estimated to be not significant.

- Based on further information provided by CTAS, no counties are currently performing the functions prohibited by this bill as amended.
- Any further fiscal impact to local government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh